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C O N F I D E N T I A L SECTION 01 OF 02 BISHKEK 000405

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [KDEM](#) [KG](#)

SUBJECT: KYRGYZ POSITIVE ON BAKIYEV-NAZARBAYEV SUMMIT

REF: A. 07 BISHKEK 522

[1](#)B. BISHKEK 373

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Classified By: Deputy Chief of Mission Lee Litzenberger for Reasons 1.4  
(b) and (d)

[1](#)1. (C) Summary: President Bakiyev's April 17-18 visit with Kazakh President Nazarbayev yielded what the Kyrgyz have called "successful" results: a renewal of wheat exports to Kyrgyzstan; resolution of Kyrgyz-Kazakh border demarcation issues; plans for energy sector cooperation; a bilateral visa-free-regime; and a review of labor migration issues. The leaders also agreed to grant Kazakhstan control of four resorts in Kyrgyzstan's Issyk-Kul Oblast, and to swap land along their border. The land swap has generated unexpected (and nationalistic) opposition to the transfer of prime Issyk-Kul pastures for "swampland" in Talas Oblast. Nazarbayev found it unnecessary to repeat the criticism of Kyrgyz political instability he voiced during his visit to Bishkek last April. However, Kyrgyz opposition forces have made the land transfer agreement a rallying call for marchers to proceed to Bishkek to protest the deal. End Summary.

Kyrgyz Reap Promised Dividends  
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[1](#)2. (SBU) Kyrgyz commentators have labeled President Kurmanbek Bakiyev's April 17-18 visit to Astana, under the auspices of the second "supreme interstate council," a "success." The Kyrgyz list of "successes" include: 1) a Kazakh promise to deliver crude oil for refining in Kyrgyzstan; 2) a Kyrgyz connection to the Turkmenistan-China natural gas pipeline (also known as the Trans-Asia pipeline); 3) partial Kazakh financing and construction of a second Tashkent-Bishkek-Almaty natural gas pipeline; 4) a 90-day bilateral visa-free-regime; 5) Kazakh support for Kyrgyzstan's bid for Vice Chair of the 63rd UNGA; 6) promises to review ways to ease Kyrgyz labor migration to Kazakhstan; 7) securing Kazakh wheat exports to Kyrgyzstan; and 8) outlining in greater detail the mechanics of a "special

investment fund for joint Kyrgyz-Kazakh projects."

#### The Good, the Bad and the Ugly Land

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¶3. (C) The Kazakhs secured a 49-year leasehold on four resort hotels located on Kyrgyzstan's lake Issyk-Kul. The properties, which the Kazakhs claim they financed during the Soviet era and subsequently own, have stoked controversy in Kyrgyzstan and sparked debate at the opposition-led April 12 kurultai (Ref A). A week prior to the Astana summit, the pro-presidential Kyrgyz parliament ratified a land swap agreement on the Kyrgyz-Kazakh state border that included the Issyk-Kul hotel properties. (Note: The agreement, made under former president Akayev, had originally been signed by both countries in January 2001. End note.) The land swap included the exchange of certain territories along the Kyrgyz-Kazakh border in Issyk-Kul and Talas Oblasts. Some political opposition leaders, and much of the media, have criticized the transfer of prime Issyk-Kul pasture for Talas "swampland," and have called for supporters to march to Bishkek in protest. (Note: A Kyrgyz MFA contact told us that this agreement had been a planned deliverable for the summit. Bakiyev signed the ratified agreement on April 24. End note.)

#### More Talk of Central Asian Economic Unification

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¶4. (SBU) Nazarbayev reiterated his interest in creating a Central Asian union during the summit. Expanding on his earlier sketch of the union, Nazarbayev said the union should specifically address water and energy issues affecting each country, as well as allocate human and material resources for Europe's "development." Bakiyev and Nazarbayev agreed to

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hold a forum next year to discuss the matter further. In anticipation of resource cooperation, both countries have assigned co-chairs to an intergovernmental commission that will review prospects for cooperation in water and energy resources, agriculture, transport, communications, trade, and natural disaster prevention. (Note: This commission will also oversee the proposed "special investment fund." End note.) According to press reports, Uzbek President Karimov has already criticized the notion of a regional union.

#### Kyrgyz MFA on Visit

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¶5. (C) During an April 22 lunch meeting with the DCM, Deputy Foreign Minister Ibragimov claimed that no deals were made in exchange for land. However, he placed greater emphasis on the Issyk-Kul resort issue over the importance of Kyrgyz land cessions to Kazakhstan. Ibragimov added that the land agreement was beneficial to both sides, and resulted in no Kyrgyz citizens being forced to move. He also clarified that Kyrgyzstan enjoyed an "exception" to Kazakhstan's ban on wheat exports. (Note: The wheat ban is apparently in place until September 1. End note.)

#### Comment

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¶6. (C) This summit notably lacked the criticism of political instability Nazarbayev bestowed upon his Kyrgyz neighbors during last year's meeting (Ref B). Since then, Bakiyev has consolidated political power and largely muzzled his political opponents. Kyrgyz parliamentary ratification of the land agreement seems to have sweetened Nazarbayev's view of his Kyrgyz partner. While other Central Asian states may object to a Central Asian union, greater Kyrgyz access to Kazakh energy resources would resolve many perennial problems affecting Kyrgyzstan. Bakiyev wants these ideas to stick, and has already instructed his government to adhere to the agreements made in Astana.

17. (C) However, Kyrgyz popular reaction to this land agreement bears scrutiny. Amidst opposition calls for marchers to head for Bishkek, the land transfer agreement is raising nationalistic sentiments. If the marchers materialize, then government authorities may become concerned that disgruntlement over the land swap may spark a broader public reaction. Post will monitor and report any significant developments.

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